

EXPLANATORY MEMORANDUM TO
THE PUBLIC SERVICE (CIVIL SERVANTS AND OTHERS) PENSIONS
(AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2015

2015 No. 181

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department of Finance and Personnel to accompany the above named statutory rule which is laid before the Northern Ireland Assembly.
- 1.2 The statutory rule is made under powers conferred by sections 1(1), (2) (a), 2(1), 3(1), (2), (3) (a) and (4) of the Public Service Pensions (Northern Ireland) Act 2014. The Statutory Rule is subject to negative resolution procedure before the Assembly.
- 1.3 The Rule is due to come into operation on 15 April 2015 and shall have effect from 1 April 2015.

2. Purpose

- 2.1 The Rule adds two Schedules to the Public Service (Civil Servants and Others) Pensions Regulations 2014. The new Schedules will provide members of Partnership - the Defined Contribution pension alternative to membership of the main Northern Ireland Civil Service pension scheme - with death and ill-health benefits under those Regulations from 1st April 2015.
- 2.2 The Rule also make other minor amendments to The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 (S.R. 2014 No. 290).

3. Background

- 3.1 Partnership is a Defined Contribution Stakeholder pension scheme which is an alternative pension option to the main Defined Benefit pension scheme for members of the Northern Ireland Civil Service pension scheme.
- 3.2 Partnership is a Group Personal Pension, and this type of pension does not provide death-in-service benefits or ill-health benefits. These ancillary benefits are instead provided by statutory pension schemes provided by the Department of Finance and Personnel in its role of pension scheme manager. Employers pay a small percentage of pensionable pay to the Northern Ireland Civil Service Pensions arrangements scheme, which then pays out benefits should they become due in the event of death or ill-health of a Partnership member.

- 3.3 The death and ill health benefits schemes are not themselves defined contribution schemes and the existing death and ill-health benefit schemes are therefore being closed on 31st March 2015 in accordance with the provisions of the Public Service Pensions Act (Northern Ireland) 2014. These amendments to The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 add two Schedules to the 2014 Regulations which will enable the scheme to provide death and ill health benefits in respect of Partnership members from 1 April 2015.
- 3.4 These arrangements are only provided for persons who have a Partnership Pension Account, not for active members of the scheme established by regulation 3 of the 2014 Regulations, as the 2014 Regulations already make provision for death and ill health benefits in relation to active members of that scheme. These arrangements will however be subject to the governance and, to the extent provided for in directions given by the Department of Finance and Personnel under the Public Service Pensions Act (Northern Ireland) 2014, the cost control provisions provided for in the 2014 Regulations.
- 3.5 The replacement death and ill-health benefit arrangements largely replicate the existing provisions, although there are minor changes to qualifying ages to align with the increase in Normal Pension Age in the main pension schemes, which will be equal to an individual's State Pension Age.

Amendments to the new civil service pension regulations

- 3.6 The Rule makes minor amendments to the Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 (S.R. 2014/290). These amendments correct some of the provisions and also make sure that the regulations properly reflect the policy regarding transitional arrangements for members of the old scheme who become members of the new scheme. They are not the result of subsequent changed circumstances but further consideration as to whether the Regulations produce the intended result.

4. Consultation

- 4.1 The Department formally launched the consultation document on proposed changes to Defined Contribution arrangements on 26 November 2014 with a closing date of 23 January 2015.
- 4.2 Five individual responses were received; these from members who pay NICSAVCs and responses were limited to the AVC scheme arrangements. Trades Unions Side confirmed on 4 February 2015 that they would not be submitting a formal response to the consultation.

- 4.3 The Departmental response was published on Monday 23 March 2015 and is available via the Civil Service Pensions (Northern Ireland) website at www.dfpni.gov.uk/civilservicepensions-ni.

5. Equality Impact

- 5.1 Civil Service Pensions conducted an Equality Screening Exercise and the introduction of the secondary legislation will not differentially impact adversely on any of the Section 75 groups.

6. Regulatory Impact

- 6.1 This legislation imposes no costs on business, charities, social economy enterprises or the voluntary sector. A Regulatory Impact Assessment is not considered necessary.

7. Financial Implications

- 7.1 Employers will be required to contribute more to Partnership arrangements but the impact will be minimal as membership is low.

8. Section 24 of the Northern Ireland Act

- 8.1 It is the view of the Department that the Regulations are compatible with section 24 of the NI Act 1998

9. EU implications

- 9.1 None.

10. Parity or Replicatory Measure

- 10.1 It is normal practice to introduce the same pension and compensation provision for civil servants in Northern Ireland as exists for the Home Civil Service in Great Britain.

- 10.2 Cabinet Office has introduced equivalent secondary legislation for the civil service pension scheme in Great Britain under the equivalent powers conferred by the Public Service Pension Act 2013.

11. Additional Information

- 11.1 Not applicable.